

Joint Public Health Board

7 December 2023

Finance Update

For Decision

Portfolio Holder: Cllr Jane Somper, Adult Social Care, Health and Housing,
Dorset Council

Cllr David Brown, Health and Wellbeing,
Bournemouth Christchurch and Poole (BCP) council

Local Councillor(s): All

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Report Status: Public

Brief Summary:

This report provides a regular update on the use of each council's ring-fenced public health grant. It covers the budget for the shared service Public Health Dorset and the grant kept by each council to use.

The revenue budget for Public Health Dorset in 23/24 was agreed as £26.298M at the last Board. The current budget includes £241k from reserves and is £26.539M. The shared service forecast is for a £51k underspend at year end.

In 23/24 BCP will keep £8.612M of their grant, and DC will keep £1.467M. The BCP forecast is break even for 23/24. BCP also have an earmarked drug and alcohol reserve of £394k due to underspend in 2022/23. The Dorset council forecast is to spend their retained grant to budget.

When the Department of Health and Social Care published the 23/24 public health allocations, they also indicated that there would be a 1.3% uplift to the grant in 24/25. Proposals for the 24/25 shared service budget take account of the broader financial challenges of both councils as well as potential shared service cost pressures.

The shared service public health reserve is £1.662M as of September 2023. Non-recurrent work is agreed this year and next in line with agreed commitments and principles. Where possible underspend will be used first to fund these commitments.

Recommendation:

The Joint Public Health Board is asked to:

- 1) note the 2023/24 current shared service forecast of £51k underspend.
- 2) note the forecast break-even position against the BCP retained grant, and the DC retained grant in 23/24.
- 3) approve the proposed 24/25 approach, that each council keeps their full grant uplift for 24/25 and the share of the 23/24 uplift currently given to the shared service.
- 4) delegate authority to the Director of Public Health in discussion with both portfolio holders and section 151 officers on further discussions to support councils with 24/25 budget planning. Final proposals should come to February 2024 board, with clear agreements showing how the money will be used to support public health outcomes in each council.
- 5) note the update around CHIS procurement.
- 6) note the current reserve position.

Reason for Recommendation:

Each local authority gets a public health grant from the Department of Health and Social Care. The councils pay most of this into the shared service but also keep part of the grant to support delivery of public health outcomes in the council. There are conditions that set out how councils can use their public health grant. Each local authority Chief Executive or Section 151 Officer and the Director of Public Health must sign to say this has happened.

Public Health Dorset (PHD) is the shared service across Dorset Council and BCP Council. PHD delivers public health services on behalf of both councils. Between 2013/14 and 2023/24 there was a 22% real terms reduction in the public health grant. The shared service delivered the required savings by focusing on effectiveness, efficiency, and equity.

Each council provides other services with public health impact. These may be different in the two councils. In 2019, following local government reorganisation, BCP council kept £4.202M and Dorset council £617k. Both councils have seen continued increases in how much of the grant they keep. So, in 2023/24 BCP Council keeps £8.612M and Dorset council keeps £1.468M. The BCP increase includes a shift of £3.104M for drug and alcohol services. BCP Council took on full responsibility for their drug and alcohol services in April 2021.

All local authorities have significant funding gaps in today's economic climate. These recommendations will support financial planning in both councils. They will help us to be sure we use the grant in the best way to improve health and wellbeing outcomes. Monitoring how we spend the grant will also help us to know if we are meeting the grant conditions.

Following the cancellation of the Board in October 2023, delegated powers were used to agree the procurement decision regarding Community health Improvement Services (CHIS). The timescale has been pushed back slightly so that we can carry out the procurement under the new Provider Selection Regime for health services that comes into place from January 2024.

1 2023/24 shared service forecast

- 1.1 In July 2023 the Board meeting agreed the 23/24 revenue budget for Public Health Dorset, at £26.298M. Contributions from each council are set out in appendix 1, table 1.
- 1.2 Since then, there has been a transfer of £105k from the public health reserve to BCP for place-based work. Reserves of £136k cover the continued costs of fixed term posts. Most are no longer covered by COMF.
- 1.3 The current shared service budget is therefore £26.539M. The current shared service forecast is for a £51k underspend at year end. Detail is set out in Appendix 1, table 2.
- 1.4 Assumptions that underlie this position are:
 - Clinical Treatment Services – the award of the drugs and alcohol contract from October 2023 is included, and the impact of separate drug and alcohol grants that cover some areas of spend. Sexual Health requirements around Pre-Exposure Prophylaxis (PrEP) are included within the forecast. Activity remains low in some of the community contracts, we are currently forecasting for some recovery in these.
 - Early intervention – the agreed increase in contract value from the July Board is reflected. Work outside the CYPPHS contract has been reviewed, with some developments slipped or no longer progressing.
 - Health Improvement – cost and volume services continue to fluctuate, with NHS Health Checks as plan, adult obesity up and smoking cessation down. Income from NHS Dorset supports the Treating Tobacco Dependency work.
 - Health Protection and Healthy Places – forecast overspend is due to planned non-recurrent schemes, see appendix 2.
 - Public Health Intelligence – forecast overspend is down in part due to reductions in fixed term staffing costs. The remaining fixed term posts, previously covered by COMF, end March 2024. Also includes spend on some non-recurrent schemes and some costs slipped to 24/25.

- Resilience and Inequalities – additional income from partners supports specific pieces of work. Costs of communication and suicide prevention training are lower than expected, but we have funded some additional non-recurrent schemes (see appendix 2). Like the BCP community development funding, the Dorset council Thriving Communities project funding will move through this budget area, covered by reserves.
- Public Health Team (and operational costs) – latest pay, plus some non-recurrent schemes (see appendix 2).

1.5 There is uncertainty that could lead to further changes in this forecast. Issues include:

- Continued fluctuations in activity within community services. Activity has not always recovered as expected post-COVID. We may see further fluctuations as we talk to the market about the re-procurement of Community Health Improvement Services.
- Fixed term or interim posts. COMF paid for several posts in 22/23. The shared service agreed continuation of these into 23/24 in case of a resurgence of COVID. We have other income that pays for some temporary roles. We also plan for some specialist support to key programmes of work in our non-recurrent schemes. Two ‘COMF’ posts (0.86wte) remain, although only one continues to be paid for through COMF. Both staff are due to end by March 2024. The forecast includes expected costs of people in interim posts, but these could change.
- Income through a variety of routes. This may be the last year for some of the extra grants and income that we receive. There are system business cases that may secure ongoing income for current pilot work. Some income is not anticipated ahead of time.
- Non-recurrent schemes that are funded and the extent to which these are covered by reserves.

1.6 The forecast includes £604k non-recurrent schemes, with the potential for a further £52k on small schemes in 2023/24, although some may slip to next year. Most of the £309k Thriving Communities funding for Dorset Council is now also likely to be used next year rather than in 23/24. More detail is in appendix 2.

1.7 The shared service may use underspend to cover these and use reserves to pay for residual costs. This means we expect to breakeven at year end.

2 Out turn on grant kept by the councils in 23/24

- 2.1 Each council keeps part of their grant to support other public health work in the council. The same conditions apply to funds kept by the council and paid into the shared service. The Joint Public Health Board monitors spend across the whole of the grant.
- 2.2 BCP Council will keep £8.612M of their 23/24 grant. This will be set against the following budget areas, with forecast out turn at budget:
- Drugs and alcohol services for adults and children (£5.231M)
 - Children's centres and early help (£3.090M)
 - A central overheads element (£282k)
 - Botox and fillers (£9k)
- 2.3 In 2022/23, the BCP drug and alcohol services underspent by £394k. This underspend was retained as an earmarked reserve for drug and alcohol.
- 2.4 Dorset council will keep £1.468M of their 23/24 grant. This will be set against the following budget areas, with forecast out turn at budget:
- Community safety (£284k). This supports additional work around domestic abuse and violent crime, linked to new legislation.
 - Community development work (£333k).
 - Children's early intervention (**£305k**).
 - Prevention and support for adults with complex needs (£513k). This includes support for rough sleepers, those with mental health, substance misuse and housing needs, as well as suicide prevention and self-harm reduction.
 - A central overheads element – (**£33k**)

3 Botox and fillers (£6k) Looking ahead to 24/25

- 3.1 Both BCP council and Dorset council face significant challenge in closing their budget gap for 24/25. All services must identify potential ways to contribute. Freeing up funds from the shared service would allow use elsewhere in the councils, as long as the grant conditions are met.
- 3.2 However, there are also risks of cost pressures within the shared service. These include:
- Contract cost pressures – our two biggest contracts are with one NHS provider. They must pay staff in line with the nationally agreed Agenda for Change pay award. Open and transparent discussion on these pressures informs our position in contract uplift. Worst case scenario would need extra £830k in 24/25.

- 24/25 local authority pay award – based on 5% assumption this would be £200k.
- Community Health Improvement services – new pricing structure in the current procurement could mean a risk of up to £66k. All lots would need to return to 18/19 activity levels, which is unlikely.
- Potential loss of income from other partners in 24/25 and 25/26.

Proposed 24/25 approach

- 3.3 In discussion with officers from both councils, it is proposed that for 2024/25:
- Each council keeps their full grant uplift for 24/25
 - From 24/25 each council keeps the share of the 23/24 uplift currently given to the shared service.
- 3.4 The DHSC published indicative 24/25 grant allocations in March 2023. These would see an uplift of 1.32% in 24/25. If each council keeps this uplift, it will equal a £280k increase to BCP council and £198k to Dorset council.
- 3.5 In 23/24 the grant to each council saw an uplift of 3.2%. A 60% share went to the shared service and 40% stayed within the relevant council. If all the 23/24 uplift is now kept by the councils, this is equal to an extra £398k kept by BCP and £286k for DC. The shared service budget would reduce by £676k.
- 3.6 Together this would mean an increase to BCP council of £678k and an increase to Dorset council of £485k. The shared service budget in 2024/25 would be £25,614,465.
- 3.7 For the shared service this would mean no funding towards potential cost pressures (set out in paragraph 3.2) in 24/25. The shared service used the 23/24 uplift to fund the following 23/24 cost pressures:
- cost pressures in the Children and Young People's 0-19 public health contract
 - pay award for staff within the shared service
 - extra resource within adult obesity services which saw high activity post COVID.
- 3.8 These pressures have not gone away. Commitments would continue and would add to the potential pressures for 24/25. The shared service will need to review existing capacity and refocus on core public health priorities. There is a risk to some areas of collaborative work with local authorities. Communications and delivery of suicide prevention training for the system may be impacted. Much of the risk will transfer to providers holding our NHS contracts.

3.9 DHSC sent a survey about Agenda for Change to all local authorities this summer. This could lead to a change in the current indicative figures for 24/25. If final allocations change the Board should consider any further uplift separately. Final allocations are usually published in February or March.

Further options

3.10 Discussions to date have also considered other potential options. These are not currently proposed as they:

- bring high risk,
- may have negative impacts on equality,
- are difficult to implement, particularly within a short timescale,
- provide limited return, or are a
- combination of the above.

3.11 Further exploration continues to explore the potential of:

- changes in our Best Start in Life commitments working with each council's children's services team,
- more targeted approaches to health improvement,
- more integrated approaches to health improvement.

3.12 The Director of Public Health will continue to work with both section 151 officers to develop further proposals for use of public health Grant, within the conditions, in both councils. Further recommendations may be brought to Joint Public Health Board in February.

4 Shared service public health reserves

4.1 At April 2023 the ring-fenced public health reserve was £1,767k. The same conditions that apply to the public health grant apply to the reserve. The Board already agreed indicative commitments against much of the reserve:

- £443k for Prevention at Scale (PAS) projects
- £340k for community health improvement services
- £609k for place-based work

4.2 Non-recurrent work agreed for 22/23, 23/24 and 24/25 is in line with the commitments above. The Board recognises the challenging financial landscape for both councils. So, in November 2022 they agreed principles for how to use reserves to help mitigate this:

- Use underspend before pulling on reserves,
- Support work within communities that will reduce their reliance on statutory services,
- Support early intervention work with individuals,

- Support invest to save work that falls within grant conditions,
 - Work with local VCS partners,
 - Provide interim support for public health work where required until transformation impacts are realised.
- 4.3 Section 1.6 noted that the forecast includes £604k non-recurrent schemes. Some fixed term posts previously covered by COMF are being covered by pre-2013 reserves. Place-based work in BCP is covered through the public health reserves, which therefore now stand at £1,662k. Most are being managed through underspend. Detail is in appendix 2.
- 4.4 Section 1.6 also noted the potential for a further £361k non-recurrent schemes in 2023/24. Detail is in appendix 2. Place-based work up to £309k will come from reserves. Some schemes are likely to slip, or costs are estimates that may change. Any remaining costs may come from either reserves or any emerging slippage/underspend.
- 4.5 Further non-recurrent schemes were planned for 24/25 that may require use of reserves. These are currently being reviewed.

5 Community Health Improvement Services

- 5.1 Contracts for six community health improvement services (CHIS) are due to expire at the end of March 2024. A paper was published for the October 2023 Board setting out key decisions. Following the cancellation of the Board, delegated powers were used to agree the procurement decision.
- 5.2 Legislation for the new Provider Selection Regime for health services was then laid before parliament in late October and will come into force from 1 January 2024.
- 5.3 The timescale has therefore been pushed back slightly so that we can carry out the procurement under this new Provider Selection Regime.

6 Financial Implications

- 6.1 The aim of the shared service model is to use money and resources in an efficient and effective way. The retained element of the grant allows flexibility for local priorities. The report covers financial implications throughout.

7 Wellbeing and health implications

- 7.1 The aim of Public Health Dorset is for all people in Dorset to live healthy and fulfilled lives for as long as possible, and disparities are minimal. The grant supports this work, and the report highlights specific implications where relevant.

8 Environmental implications

- 8.1 Public Health Dorset has a key domain of work around healthy places. This looks at how our built and natural environment can improve population health. This work may also impact on climate change, and the report highlights specific implications where relevant.

9 Other Implications

- 9.1 None identified in this paper.

10 Risk Assessment

- 10.1 Having considered the risks associated with this financial monitoring, the level of risk has been identified as:
Current Risk: MEDIUM
Residual Risk: MEDIUM

11 Equalities Impact Assessment

- 11.1 This is a monitoring report, so Equalities Impact Assessment is not applicable.

12 Appendices

Appendix 1 Finance Tables October 2023
Appendix 2 Non-recurrent schemes 23/24.

13 Background Papers

Previous finance reports to the Board
[Shared Service Partnership agreement November 2020](#)
[Public health grants to local authorities: 2023 to 2024 - GOV.UK \(www.gov.uk\)](#) published 14 March 2023

Appendix 1 Finance Tables October 2023

Table 1. Agreed partner contributions 23/24

2023 - 2024	BCP	Dorset	Total
	£	£	£
2023 - 2024 Grant Allocation	21,288,254	15,090,023	36,378,277
Less retained amounts	-8,612,254	-1,467,780	-10,080,034
Joint Service Budget Partner Contributions	12,676,000	13,622,243	26,298,243
Budget 2023 - 2024			£26,298,243

Table 2. Forecast 2023/24

	Budget 2023-2024	Forecast out turn	Over/underspend
Public Health Function			
Clinical Treatment Services	£9,074,500	£8,566,407	£508,093
Early Intervention 0-19	£11,715,500	£11,595,375	£120,125
Health Improvement	£2,581,043	£2,268,062	£312,981
Health Protection	£60,500	£170,380	-£109,880
Public Health Intelligence	£148,000	£203,672	-£55,672
Resilience and Inequalities (1)	£177,200	£195,504	-£18,304
Public Health Team (2)	£2,782,670	£3,488,239	-£705,569
Total	£26,539,413	£26,487,638	£51,775

(1) Includes £105k budget from place-based reserve – matched spend through transfer to BCP. £55.6k moved to Teams budget

(2) Includes £136k from pre-2103 reserves. Additional £55.6k transferred in from Resilience and Inequalities.

Appendix 2 Non-recurrent schemes 2023/24

Non-recurrent schemes included in 23/24 forecast (Total £604k)

- A 1-year extension of COMF fixed term posts to March 2024. This was originally estimated to cost £446k. Following staff turnover this is now forecast at £272k. COMF continues to fund £86k outside of the shared service, and reserves of £136k from pre-2013 cover much of the rest. [Public Health Team]
- Transfer to BCP to support place-based working through the community development team. Place-based reserves of £105k cover this transfer. [Resilience and Inequalities]
- Work with Active Dorset to support A Movement for Movement (£87.5k) [Health Protection]
- Up to £59k set-up costs for NHS Health Check delivery through LiveWell Dorset. This is likely to be a high-end estimate. [Health Improvement]
- Work to help develop system culture and build ownership across the system (£33k) [Public Health Intelligence]
- Embed and spread the work of the Poverty Truth Commission (£25k) [Resilience and Inequalities]
- Work with DC place directorate to support active travel and the Local Plan (£23k) [Health Protection]
- Initial contribution to support Dorset HealthCare to expand public health support to the system (£23k) [Public Health Team]
- External OD support to support development of a shared service People Plan (£20k) [Public Health Team]
- MoU with Local Nature Partnership to encourage physical activity (£10k) [Health Protection]
- Altogether Better to support closer working between Primary Care Networks and their local communities (£10k) [Resilience and Inequalities]
- Contribution to Regional Sector-Led Improvement (£8k) [Public Health Team]
- Contribution to Combatting Drugs Partnership (£6k) [Clinical Treatment Services]
- Oral Hygiene supplies and distribution (£5k) [Early Intervention]
- Mental Health First Aid training (£2k). May be covered in part by income. [Resilience and Inequalities]

Potential non-recurrent schemes in 2023/24 not yet included in forecast (Total £361k)

- Spend of up to £309k by Dorset Council to support place-based working. A Thriving Communities project was agreed at the Dorset Health and Wellbeing Board in June 2023. Costing being worked through for a project officer (in post from November). Unclear how costs will spread across

23/24 and 24/25, but likely that most will fall in 24/25. Place-based reserves will cover this. [Resilience and Inequalities]

- Work with BCP place directorate to support active travel and the Local Plan (£23k) – timing being confirmed with BCP leads. [Health Protection]
- Technical support to data flows/data sharing work (up to 20k) [Public Health Team]
- Additional Suicide Prevention training and mental health first aid. Possibly up to £9k in 23/24. These are uncertain estimates that may be covered in part by income, and some elements could slip to 24/25 [Resilience and Inequalities]